

## Message Text

UNCLASSIFIED

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ACTION EB-07

INFO OCT-01 EUR-12 ISO-00 FEA-01 ERDA-07 AID-05 CEA-01

CIAE-00 COME-00 EPG-02 DODE-00 FPC-01 H-02 INR-07

INT-05 L-03 NSAE-00 NSC-05 OMB-01 PM-04 USIA-15

OES-07 SP-02 SS-15 STR-04 TRSE-00 ACDA-10 PA-02

PRS-01 /120 W

-----140050Z 117357 /62

P 132300Z MAY 77

FM AMCONSUL CALGARY

TO SECSTATE WASHDC PRIORITY 2020

INFO AMEMBASSY OTTAWA PRIORITY

UNCLAS CALGARY 0219

E.O. 11652: N/A

TAGS: ENRG, CA

SUBJ: BERGER REPORT REACTION

1. WHILE CALGARY OIL EXECUTIVES HAD TO A VERY LARGE DEGREE ANTICIPATED RECOMMENDATIONS OF JUSTICE BERGER, VIGOR AND ELOQUENCE OF HIS (BERGER'S) FINDINGS APPEARED TO TAKE MANY INDUSTRY OFFICIALS BY SURPRISE. WITH THE EXCEPTION OF SOME BACKERS OF ARCTIC GAS, THERE WAS A GENERAL CONSENSUS THAT ALCAN PROJECT HAD RECEIVED A SIGNIFICANT BOOST AND THAT THE ALCAN PROPOSAL WOULD NOW HAVE TO BE CONSIDERED THE ODDS-ON FAVORITE TO RECEIVE THE GOC'S BLESSING. RANKING CANADIAN PETROLEUM ASSOCIATION (CPA) OFFICER, FOR EXAMPLE, INDICATED THAT UNLESS BERGER'S CONCLUSIONS WERE ADEQUATELY REFUTED, ARCTIC GAS PROJECT WAS DEAD. KEY MOBIL OFFICIAL COMMENTED THAT IT WOULD BE VERY DIFFICULT FOR GOC TO IGNORE BERGER'S RECOMMENDATIONS AND STATED THAT GOC HAD PAINTED ITSELF INTO A BOX OF ITS OWN MAKING. ABOVE SENTIMENTS WERE WIDELY ECHOED BY A VARIETY OF OTHER CALGARY PETROLEUM INDUSTRY EXECUTIVES.

2. ARCTIC GAS PROPONENTS STRONGLY CONTENTED THAT THEIR PROJECT REMAINED IN THE RUNNING DESPITE THE BERGER REPORT. THEY TOLD UNCLASSIFIED

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REPORTING OFFICER THAT THERE WOULD BE CONCERTED EFFORT OVER NEXT FEW WEEKS TO DISCREDIT JUSTICE BERGER'S FINDINGS AND STATED THAT THEY WERE CONFIDENT THAT THE NEB WOULD RECOGNIZE BASIC ECONOMIC SUPERIORITY OF THE ARCTIC GAS PIPELINE PROPOSAL. NET ECONOMIC BENEFITS TO CANADA WOULD BE, THEY ASSERTED, THE TELLING CONSIDERATION.

3. GULF, IMPERIAL, AND MOBIL EXECUTIVES STATED FLATLY THAT ACCEPTANCE BY GOC OF A TEN-YEAR PIPELINE MORATORIUM WOULD SIGNAL THE END OF MACKENZIE DELTA GAS AND OIL ACTIVITY. SENIOR PETROCAN OFFICER CONTESTED THIS ASSERTION BY CLAIMING THAT COMBINATION OF FAVORABLE GOC TAX TREATMENT AND COMMITMENT BY GOVERNMENT TO BUILD DEMPSTER HIGHWAY SPUR WITHIN REASONABLE PERIOD WOULD CAUSE MAJOR OIL COMPANIES TO CONTINUE MACKENZIE DELTA EXPLORATION EFFORT. SAME PETROCAN SPOKESMAN, HOWEVER, CATEGORICALLY REJECTED IDEA OF HIS COMPANY'S TAKING OVER FROM THE MAJORS IN DELTA AREA.

4. ENERGY MINISTER DON GETTY TOLD LOCAL PRESS THAT BERGER REPORT HIT ALBERTA RIGHT BETWEEN THE EYES. GETTY CLAIMED THAT WITH NORTHERN GAS SUPPLIES IN JEOPARDY, ALBERTA WOULD BE URGED TO DEVELOP ITS ENERGY RESOURCES AT RATE FASTER THAN PROVINCIAL ECONOMY COULD STAND. ALBERTA OFFICIALS, OTHERWISE, TAKING GREAT PAINS TO REMAIN NEUTRAL IN ARCTIC GAS-ALCAN DISPUTE.  
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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** REPORTS, NATURAL GAS, PETROLEUM INDUSTRY, PRESS COMMENTS, PUBLIC ATTITUDES  
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**Copy:** SINGLE  
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**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
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**Review Markings:**  
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